

The Departmentalisation of Union Accounts (Transfer of Personnel) Act, 1976

(ACT NO. 59 OF 1976)

[*As on the* 08*th Septmber*, 2026]

LIST OF ABBREVIATIONS USED

G.S.R.	*for*	General Statutory Rules.
S.O.	„	Statutory Order.
Notifn.	„	Notification.

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THE DEPARTMENTALISATION OF UNION ACCOUNTS (TRANSFER OF PERSONNEL) ACT, 1976

ARRANGEMENT OF SECTIONS

SECTIONS

1. Short title and commencement.
2. Transfer of officers and employees of the Indian Audit and Accounts Department.
3. Repeal and saving.

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THE DEPARTMENTALISATION OF UNION ACCOUNTS (TRANSFER OF PERSONNEL) ACT, 1976

ACT NO. 59 OF 1976

[8*th April,* 1976.]

An Act to provide for the transfer of officers serving in the Indian Audit and Accounts Department to any Ministry, Department or office of the Central Government for facilitating the efficient discharge by such Ministry, Department or office of the responsibility in connection with compiling the accounts thereof.

BE it enacted by Parliament in the Twenty-seventh Year of the Republic of India as follows:—

1. Short title and commencement.—(*1*) This Act may be called the Departmentalisation of Union Accounts (Transfer of Personnel) Act, 1976.

(*2*) It shall be deemed to have come into force on the 1st day of March, 1976.

2. Transfer of officers and employees of the Indian Audit and Accounts Department.—(*1*) Where the President has by order under the first proviso to sub-section (*1*) of section 10 of the Comptroller and Auditor-General's (Duties, Powers and Conditions of Service) Act, 1971 (56 of 1971), provided for relieving, with effect from any date (hereinafter referred to as the prescribed date), the Comptroller and Auditor-General from the responsibility for compiling any accounts of the Union or of any services or departments of the Union as may be specified in such order, then, subject to the provisions of this Act, it shall be lawful for the Central Government, on the advice of a Committee established under sub-section (*2*), to transfer, by order and with effect from such date or dates (which may be either retrospective to any date not earlier than the prescribed date or prospective) as may be specified in the order, to any Ministry or Department of the Central Government or any of its attached or subordinate offices, any of the officers or employees serving in the Indian Audit and Accounts Department, for the purpose of facilitating the efficient discharge by such Ministry, Department or office of the responsibility of compiling such accounts:

Provided that no order under this sub-section shall be made in relation to any such officer or employee serving in the Indian Audit and Accounts Department who has, in respect of the proposal made on the advice of the Committee to transfer such officer or employee under this sub-section, intimated, within such time as may be specified in this behalf his unwillingness to be so transferred, unless the Central Government is of opinion that it is necessary in the public interest to transfer such officer or employee as aforesaid:

Provided further that nothing in this sub-section shall affect the right of any such officer or employee to resign or retire from service in accordance with the rules applicable to him in the Indian Audit and Accounts Department.

(*2*) The Central Government may, by order, establish one or more Advisory Committees consisting of such number of members as it thinks fit for the purpose of assisting it in regard to the transfer of officers and employees under sub-section (*1*).

(*3*) An officer or other employee transferred to any Ministry, Department or office of the Central Government by an order made under sub-section (*1*) shall, on and from the date of transfer, cease to be an officer or employee in the Indian Audit and Accounts Department and shall, subject to the provisions of sub-section (*4*) and of any law or rules made under Chapter I of Part XIV of the Constitution, hold office in such Ministry, Department or office with such designation as the Central Government may specify.

(*4*) Every officer or employee transferred under sub-section (*1*) shall be entitled to be appointed to a post carrying a scale of pay not less favourable than that of the post which he held immediately before the date of such transfer and in the same capacity (whether substantive or officiating) in which he held the post last mentioned:

Provided that if immediately before the date of such transfer any such officer or employee is officiating in a higher post in the Indian Audit and Accounts Department either in a leave vacancy or in any other vacancy of a specified duration, his pay, on transfer, shall be protected for the unexpired period of such vacancy.

3. Repeal and saving.—(*1*) The Departmentalisation of Union Accounts (Transfer of Personnel) Ordinance, 1976 (2 of 1976), is hereby repealed.

(*2*) Notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under the corresponding provisions of this Act.

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STATEMENT OF OBJECTS AND REASONS

The present accounting system applicable to most Ministries and Departments is essentially external to financial management functions in that payments are made by the treasuries and accounts are compiled by the Audit and Accounts offices under the control of the Comptroller and Auditor-General on the basis of initial and subsidiary accounts received by them from the treasuries. This system worked fairly well when Governmental business was limited. With the increase in the volume and variety of Governmental business and the continual step-up of developmental outlays the system has proved inadequate to the administration's tasks.

2. The scheme of separation of accounts from audit is to be implemented in the Ministry of Communications, Ministry of Tourism and Civil Aviation and the Ministry of Industry and Civil Supplies from 1st April, 1976. The remaining Ministries will also be covered gradually by the 1st October, 1976. The taking over of accounting functions from the Comptroller and Auditor-General involves the transfer of a large number of employees of the Indian Audit and Accounts Department to the Ministries and Departments of the Government of India and offices under them. The transfer of so many employees working under the Comptroller and Auditor General has to be effected in such a manner that it does not entail serious administrative problems. To achieve this object, the Departmentalisation of Union Accounts (Transfer of Personnel) Ordinance, 1976 (2 of 1976) was promulgated by the President on 1st March, 1976.

3. The Ordinance empowers the Central Government to transfer officers and employees from the Indian Audit and Accounts Department to any Ministry or Department of the Central Government or any of its attached and subordinate offices, on the advice of a Committee. It provides for constitution of one or more Advisory Committees to assist the Government in the selection of personnel to be transferred. Persons transferred from the Indian Audit and Accounts Department will cease to be employees of the said Department and will hold office in the Ministry, Department or office thereunder with such designations as the Central Government may specify. The transferred officers and employees will be entitled to be appointed to posts carrying scales of pay not less favourable than those of the posts held by them immediately before the date of such transfer. Substantive status, if any, will be protected.

4. The Bill seeks to replace the Ordinance mentioned above.

NEW DELHI; C. SUBRAMANIAM.

The 17*th March,* 1976.